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C O N F I D E N T I A L SECTION 01 OF 03 KUALA LUMPUR 000815

SIPDIS

FOR EAP/MTS

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TAGS: PGOV KDEM MY

SUBJECT: SEPTEMBER 16 ANTI-CLIMAX, BUT ANWAR REMAINS
COMMITTED TO CROSSOVER PLAN

REF: A. KUALA LUMPUR 810
1B. KUALA LUMPUR 765

Classified By: Political Section Chief Mark D. Clark for reasons 1.4 b
and d.

Summary and Comment

11. (C) Opposition leader Anwar Ibrahim's original September 16 deadline to wrest power from ruling National Front (BN) coalition has passed in anti-climactic fashion, and without the crossover of any government members of Parliament (MPs) to the opposition ranks. The opposition Pakatan alliance (PKR) held a moderately large and peaceful rally on the evening of September 15 featuring condemnation of recent arrests under the Internal Security Act (ISA) and Anwar's pledge that his coming to power was inevitable, even if it would not happen the next day. Anwar followed up with a press conference on September 16 reaffirming he had the support of over 31 MPs necessary to form a governing majority, but not revealing any names citing fears the MPs would be arrested under the ISA. To pursue a peaceful transition of power, Anwar said he now sought a meeting with Prime Minister Abdullah Badawi and assurances that the BN government would not use authoritarian measures, like ISA arrests, to impede the change in government. Meanwhile, legal reform minister Zaid Ibrahim reconfirmed his resignation and did not rule out joining the Opposition.

12. (C) Comment: Even though Anwar had previewed that the Opposition would not make the September 16 deadline for attaining power, his inability to announce the defection of any BN MPs could hurt his credibility. Nevertheless, Anwar remains fully committed to gaining the majority in parliament through crossovers and seeks to make headway in the coming days and weeks. We do not take Anwar's request to see the PM, seemingly to negotiate Abdullah's surrender and seek assurances from authoritarian measures, as a serious proposition. Rather, it appears to be an effort to gain moral high ground, make it more difficult for the government to take harsh actions, and justify the Opposition's delay. With PM Abdullah and his UMNO party locked in a leadership struggle approaching a crucial UMNO meeting on September 18, and the BN coalition itself in disarray, the BN government must continue to take Anwar's threat seriously. End Summary and Comment.

BEFORE THE ANNOUNCEMENT, A PROTEST AND PEP-RALLY

13. (SBU) In the run-up to Anwar's September 16 deadline for toppling the government, PKR and its allies staged a mass rally on the night of September 15. Speakers at the rally condemned the UMNO-led government over the September 12 arrests of three individuals under the Internal Security Act,

and reassured the crowd that a change in government was inevitable. The event also focused on grievances from East Malaysia. As keynote speaker, Anwar claimed that the Opposition's coming to power was inevitable, although he also made it clear that it would not immediately occur on September 16, but would happen soon. In separate comments, Anwar noted his personal objective of replacing PM Abdullah's government by the end of September. Anwar supporters originally projected that a crowd of up to 30,000 supporters would come out for the event; pro-government and media sources place the actual size of the crowd at 8,000 while PKR supporters place the number at between 10,000 and 20,000. In an unusual move, the police granted a permit for the opposition event. The rally played out without any notable security incidents.

THE BIG DAY: A WINNING HAND OR A MASTER BLUFF?

¶4. (SBU) On September 16, Anwar Ibrahim called a press conference at his party headquarters in the midst of intense speculation surrounding the potential crossover of BN MPs and the Opposition's next moves now that the original deadline for bringing down Abdullah's government had arrived. Anwar reaffirmed that he had secured enough members of parliament in the BN ranks ("more than 31") to effectively transfer power to his opposition coalition (Pakatan). He would not reveal specific names of the MPs citing fears they could be arrested under the Internal Security Act. Anwar went on to explain that, rather than forcing the issue of the transfer of power, he had decided it is in Malaysia's best interest to bring about a "smooth, peaceful" transition over the coming

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days and weeks. The Opposition leader pitched September 16 as the beginning of this transition.

¶5. (SBU) As next steps, Anwar confirmed that he had sent a letter to the Prime Minister on September 15 requesting a meeting that would address the transfer of power. The letter also sought assurances on four points, namely that the BN government would not prevent BN MPs from acting according to their conscience; detain BN or opposition MPs under the ISA; invoke emergency rule; or impede MPs from accessing Parliament or the Palace. Following such a meeting with Abdullah, Anwar would proceed to establish a new government with the assent of the King.

¶6. (C) Comment: Pakatan's press statement noted in particular one small BN party, SAPP of Sabah, whose leader had earlier in the year announced his support for a no-confidence vote against PM Abdullah. SAPP leadership will meet September 17 to decide whether to remain in BN. If SAPP decides to leave the Prime Minister's coalition government, Anwar could claim this as the first defection, even if SAPP does not immediately and formally join the Opposition. SAPP has only two MPs. End Comment.

¶7. (C) Embassy Political Specialist observed the press conference and spoke with opposition leaders afterward. We also spoke with other opposition sources during the course of September 16. Members of Anwar's People's Justice party (PKR) and the Malaysian Islamic Party (PAS) appeared enthusiastic and committed to Anwar's course, although the senior most PAS officials did not attend Anwar's press conference. Members of the third component, the Democratic Action Party (DAP), seemed less convinced of Anwar's message, with one DAP official complaining that information on Anwar's would-be crossovers remained "vague".

¶8. (C) Azmin Ali, a key Anwar lieutenant and spin doctor, told us that Anwar believed Abdullah would be reasonable and negotiate under current circumstances. However, the Opposition was concerned that the UMNO Supreme Council meeting on September 18 could result in the Prime Minister's resignation and his replacement by DPM Najib, who would be a

much more difficult opponent. (Comment: Kuala Lumpur is abuzz with rumors concerning UMNO's September 18 meeting, and alleged plans to use that meeting to force PM Abdullah to step down by December. End Comment.) Azmin claimed that Anwar had met recently with Zaid Ibrahim, who resigned as de facto legal reform minister on September 15, and UMNO veteran leader Tengku Razaleigh, both of whom had committed themselves to supporting Anwar, a claim we heard from other opposition sources. (Comment: The information on Tengku Razaleigh conflicts with what we heard in our meeting with Razaleigh's aide on September 15, ref A. End Comment.)

¶9. (SBU) Following the press conference, government-influenced mainstream media outlets rushed to report that Anwar had not made good on his deadline. The New Straits Times ran a by-line, "Now it's another few days....No names, no list (of MPs), no crossovers".

MORE DETAILS AND FALLOUT FROM THE ISA ROW

¶10. (SBU) De-facto Justice Minister Zaid Ibrahim held his own press conference on the morning of September 16 to publicly reaffirm his resignation, despite Prime Minister Abdullah Badawi's refusal to accept his decision. Zaid explained that his frustration over lack of support for legal reforms, in addition to the government's decision to invoke the ISA against three individuals on September 12, had led to his decision. Zaid also said that he has not made a final decision on leaving UMNO or joining the opposition, stating that he was keeping an open mind.

¶11. (SBU) Meanwhile, police announced their intent to continue to hold MP Teresa Kok in their custody under the ISA (ref A) at least until October 12, which would bring her total time in confinement to 30 days and could mean release just ahead of the October 13 reconvening of Parliament. It is otherwise not clear as to why this length of time was specified. Kok's parents were able to meet with her for 90 minutes on September 15, and they expressed their outrage over the charges and conditions in which their daughter is held.

¶12. (SBU) As of close of business on September 16, the Embassy has yet to receive any formal notification regarding the Foreign Minister's reported intention to summon the

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Ambassador in relation to our public comments related to the ISA arrests. A variety of Malaysian interlocutors have privately thanked the Ambassador and other Embassy officers for Embassy and Department statements in support of basic freedoms.

KEITH